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1 December 1983

MEMORANDUM FOR: Director of Central Intelligence

FROM: SA/DCI/IA

SUBJECT: NSC Meeting on Export Controls: Libya and USSR,  
2 December 1983

1. The President will chair this meeting tomorrow from 1100-1200 in the Cabinet Room; it is principals plus one.

2. The issues are:

- Libya. Should the US expand controls to include high value exports destined for the development of Libya's economic infrastructure.
- USSR. Should the US impose unilateral controls on oil and gas exports or should we continue on the path of multilateral controls

3. This book includes the agenda and background papers provided by the NSC (Tab A), [redacted] memo on the scope and limitations of sanctions against Libya (Tab B), [redacted] memo on the interagency review of Libyan sanctions (Tab C), a draft DDI paper from July on the impact of economic sanctions on Libya (Tab D).

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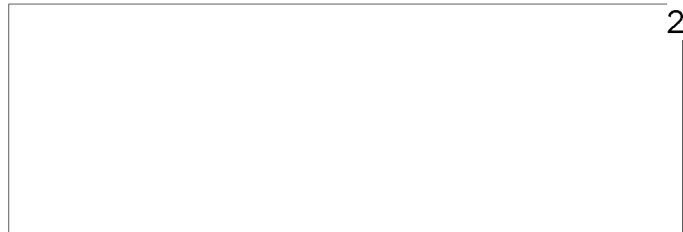
4. Maurice Ernst, who will accompany you, is preparing materials in a separate book to be ready later this evening.

5. Please let me know if there is anything else you need for this meeting.

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cc: DDCI



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**NATIONAL SECURITY COUNCIL**  
WASHINGTON, D.C. 20508

**SYSTEM II**  
**91422 Add On**

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**With SECRET ATTACHMENTS**

**November 30, 1983**

**MEMORANDUM FOR**

**Mr. Donald P. Gregg**  
**Assistant to the Vice President**  
**for National Security Affairs**

**Dr. Alton Keel**  
**Associate Director for National**  
**Security and International**  
**Affairs**

**Mr. Charles Hill**  
**Executive Secretary**  
**Department of State**

[Redacted]  
**Executive Secretary**  
**Central Intelligence Agency**

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**Mr. David Pickford**  
**Executive Secretary**  
**Department of the Treasury**

**Ms. Jackie Tillman**  
**Executive Assistant to the**  
**United States Representative**  
**to the United Nations**

**Col. John H. Stanford**  
**Executive Secretary**  
**Department of Defense**

**Mr. Dennis Whitfield**  
**Executive Assistant to the**  
**United States Trade**  
**Representative**

**Ms. Helen Robbins**  
**Executive Assistant to the**  
**Secretary**  
**Department of Commerce**

**Brig. General George A. Joulwan**  
**Executive Assistant to the**  
**Chairman**  
**Joint Chiefs of Staff**  
**The Pentagon**

**SUBJECT: National Security Council Meeting on Export**  
**Controls: Libya and the USSR** [Redacted]

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Attached are the agenda and background papers for the NSC meeting on the above subject, scheduled for Friday, December 2, at 11:00 a.m. in the Cabinet Room. [Redacted]

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*Robert M. Kimmitt*  
**Robert M. Kimmitt**  
**Executive Secretary**

**Attachments**  
**Agenda**  
**State Paper**  
**Commerce Paper**

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The Director of Central Intelligence  
Washington, D.C. 20505


NIC 6256-83  
1 September 1983

National Intelligence Council

*Med East  
Libya*

MEMORANDUM FOR: Acting Director of Central Intelligence

FROM:

  
Assistant National Intelligence Officer for NESA

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SUBJECT: Interagency Review of Libyan Sanctions

1. An interagency meeting on 31 August reviewed the status of US sanctions against Libya at NSC's request. DAS Schneider chaired the IG study. The review produced the attached paper which concludes that the sanctions have had no significant impact on the Libyan economy or his domestic political standing but have helped to underscore our political opposition to Qadhafi's policies.

2. NSC indicated that the review was intended in part to help evaluate French allegations that US oil companies continue to do business with Libya. The paper notes that some US companies (Oasis Group and Occidental Petroleum) do retain significant interests in Libya.

3. No new sanctions are recommended by the study. No action is required on your part as clearance has been provided at the working level.

  
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Attachment:  
Sanctions Paper

  
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*OK'd by A/DCI McMahon.*

*I phoned our clearance to  
D. Patterson, asst. to D/Asst Sec State  
Schneider (NSA) 1250, 9/1/83*

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Central Intelligence Agency  
Office of the Deputy Director for Intelligence

Bill -

Attached is a draft paper  
on the Impact of Economic  
Sanctions on Libya. I killed  
it last July. My memo to  
the office director is on top  
and the draft I marked  
up under it.

Rg.

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12 July 1983

NOTE TO: Director, NESA

FROM: Deputy Director for Intelligence

SUBJECT: Libya: Impact of Economic Sanctions

Bob --

1. This seems to me too narrow a cut at this subject and presumes an important lack of sophistication on the part of Veliotis and other policymakers. I think it is fairly well documented that few, if any, expected the sanctions to have a significant economic impact or to cause Qadhafi to change his stripes.

2. It seems to me that they went ahead as a political gesture to dramatize Qadhafi's behavior, rivet attention on his activities, and try to ostracize him. It was done in part to encourage internal opposition to him and, finally, to get him to back away from threats to US officials and foreign adventurism. Some of these goals were met, some were not. (The oil embargo and withdrawal of oil companies and US citizens, for example, was done for their own safety and because the Administration thought it inconsistent for the US to be pumping billions into Qadhafi's coffers which he was then using against us and our friends).

3. I have three additional problems with the paper:

- Most importantly, the paper conveys (unintentionally or not) a strong bias on the part of the author against economic sanctions. The analysis simply does not sound objective.
- Second, I believe the paper is too generalized for those interested in the topic.
- Finally, the paper has the underlying but unproven assumption that Libya has been pushed further into the Soviet camp by our sanctions. No attempt is made to prove this through an examination of trade data or asset reporting on substitutes for embargoed US goods. These references add to an aura of slanted analysis.

4. In sum, the paper reads like the author had reached his conclusions at the beginning and then researched and wrote the paper to substantiate the conclusions.

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5. The things I have said represent a fairly hard judgment on the analyst. I want you to know privately that before I read this paper it was read by [ ] who came to the same conclusion. I then, without indicating any of the comments or criticisms made in the front office, asked [ ] to review it for me -- she too reached the same conclusion. I am fairly confident that [ ] did not intend that his paper convey this message and I am fairly confident that he did not consciously set out to prove a particular point. But four very different readers came away with the same impression -- two of the three having read the paper before I did and the third being unaware of my views. The paper is disapproved. Should you and [ ] want to discuss it further I would be happy to do so.

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[ ]  
Robert M. Gates



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